



Financial Results Presentation Material
Third Quarter for Fiscal Year Ending March 31, 2021

February 2021

Securities code:6490



NIPPON PILLAR PACKING CO., LTD.

- 1. Summary of Third Quarter Results**
- 2. Business Performance Forecast for the Fiscal Year Ending March 2021**



1. Summary of Third Quarter Results

Highlights for 3Q of the Fiscal Year Ending March 2021

Sales ¥21,116 million (down ¥437 million year-on-year, -2.0%)

- **The industrial equipment business Sales ¥6,929 million (-14.2% year-on-year)**
Although there was an improvement tendency in the automobile market, demand was sluggish mainly in the petroleum and petrochemical markets, adversely affected by the new coronavirus infectious disease, falling crude oil prices and other factors.
- **The electronic equipment business Sales ¥14,122 million (+5.3% year-on-year)**
Semiconductor demand remained brisk with the spread of remote work, 5G, data centers and so on.

Operating income ¥3,060 mil. (up ¥374 mil. year-on-year, +13.9%)

- The sales growth and cost reduction achieved by the electronic equipment business made up for a decrease in profits posted by the industrial equipment business, which experienced sales decline. Consequently, operating income increased by 13.9% year-on-year.

Third-quarter net income ¥2,133 million (up ¥165 million year-on-year, +8.4%)

- Third-quarter net income attributable to owners of parent increased by 8.4% year-on-year, reflecting the increase in operating income.

Summary of Business Performance

(Unit: Million Yen)

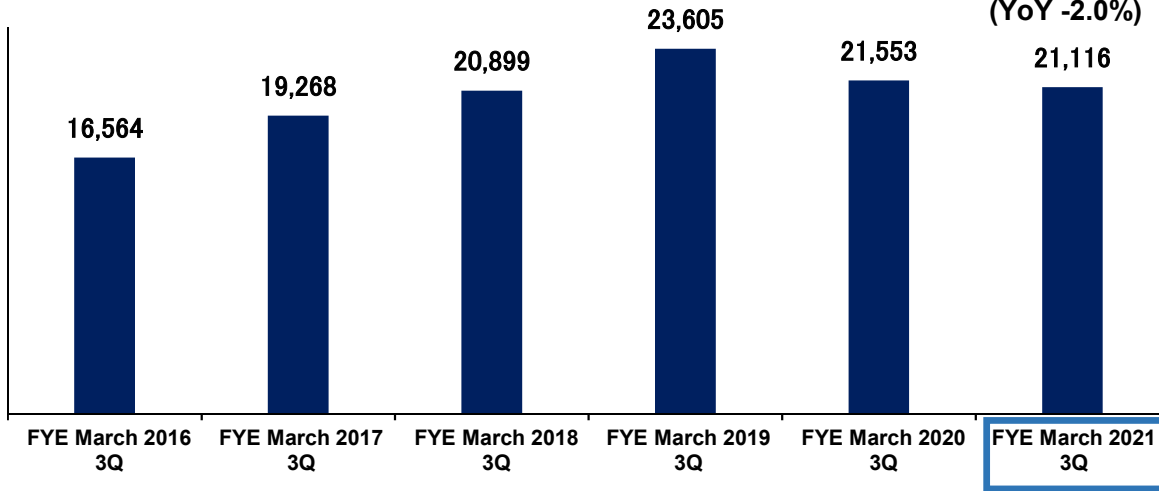
	FYE March 2020 3Q	FYE March 2021 3Q	Change from the same period of the previous fiscal year	
	<Results>	<Results>	Increase (Decrease)	Change rate (%)
Consolidated results				
Sales	21,553	21,116	- 437	- 2.0
Operating income	2,686	3,060	374	13.9
Operating income ratio	12.5%	14.5%	—	—
Ordinary income	2,717	3,157	440	16.2
Net income	1,968	2,133	165	8.4
Net earnings per share	80.97	89.37	8.40	—
By segment				
Industrial equipment business				
Sales	8,075	6,929	- 1,146	- 14.2
Operating income	1,043	584	- 459	- 44.0
Electronic equipment business				
Sales	13,417	14,122	705	5.3
Operating income	1,620	2,452	832	51.4

Trends of Company-wide Earnings

Sales

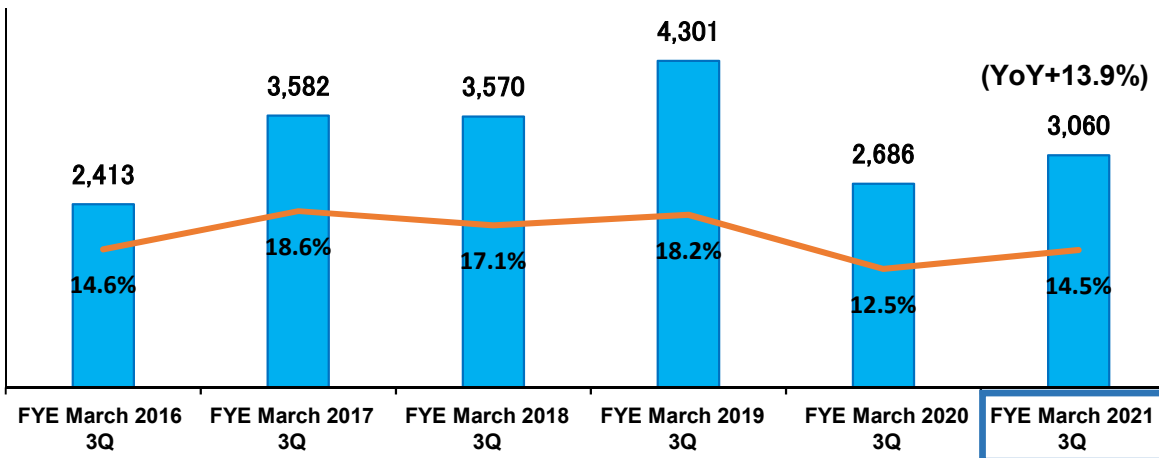
(Unit: Million Yen)

(YoY -2.0%)



Operating income/Operating income ratio

(YoY+13.9%)

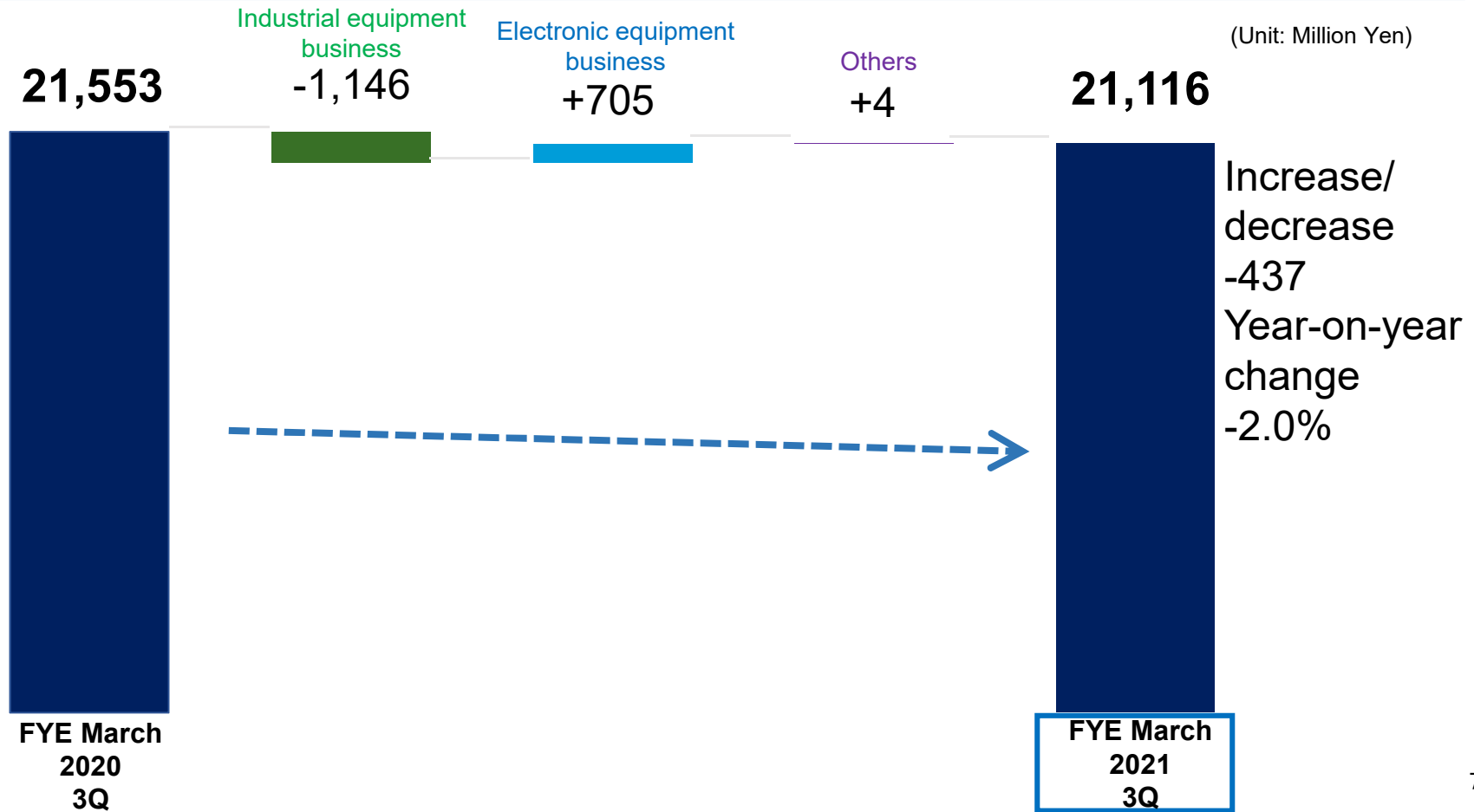


Points

- Industrial equipment business saw sluggish demand as there are no prospects that the new coronavirus pandemic will settle down any time soon.
- Demand remained brisk in the semiconductor market. Profitability improved as production increased.
- Expenses were kept down mainly because of voluntary restraint of activities to prevent the spread of the new coronavirus infectious disease.

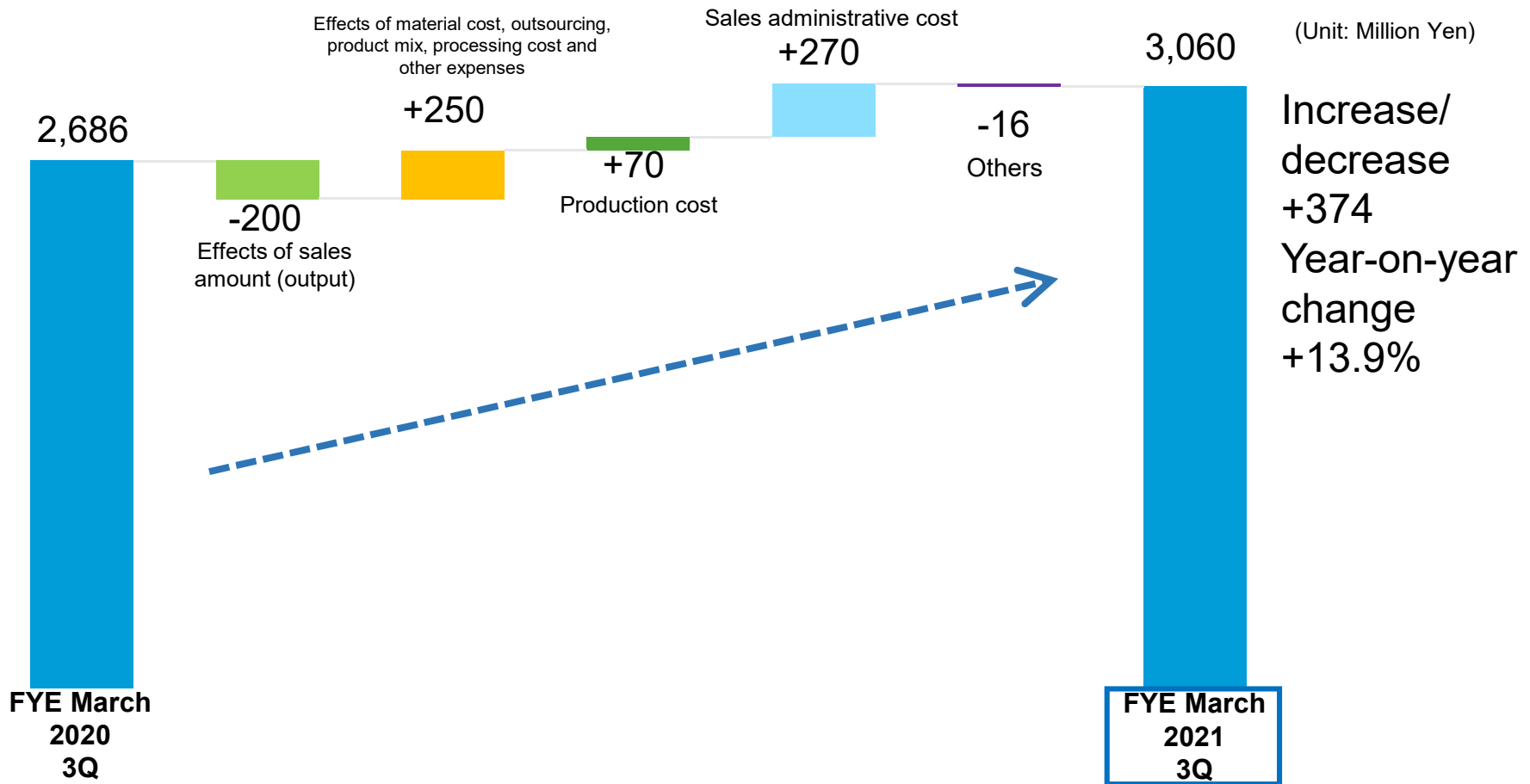
Analysis of Increase/Decrease in Q3 Sales

Regarding the industrial equipment business, the transportation equipment, petroleum and petrochemical markets slowed down, adversely affected by the new coronavirus infectious disease, falling crude oil prices and other factors. Meanwhile, the electronic equipment business enjoyed sales growth as fluororesin products for the semiconductor manufacturing equipment did well.



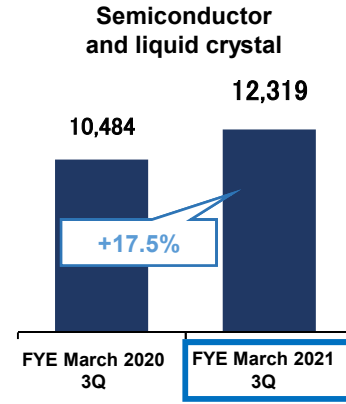
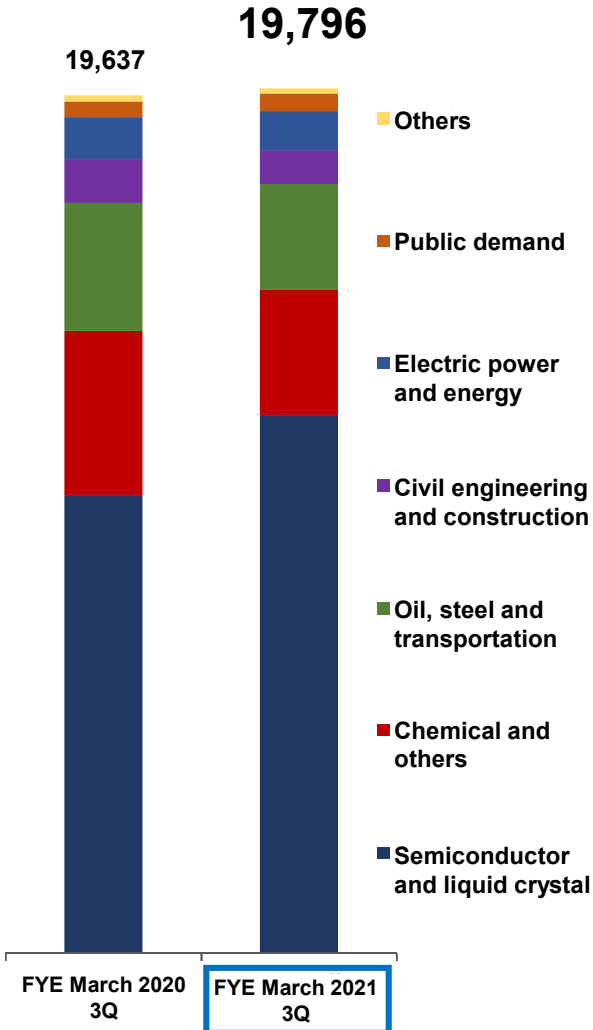
Analysis of Increase/Decrease in Q3 Operating Income

Despite the impact of sales decline posted by the industrial equipment business, profitability improved as sales of the electronic equipment business grew. Our continuous cost reduction activities and efforts to cut back expenses also helped increase profits.

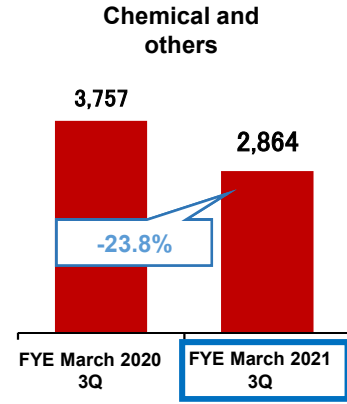


Sales by Market (Non-consolidated)

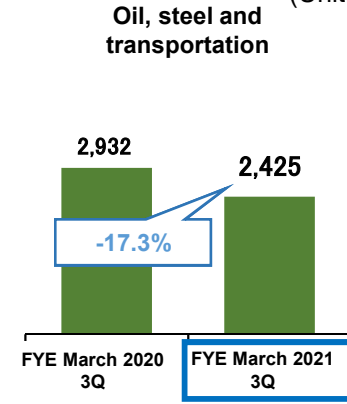
(Unit: Million Yen)



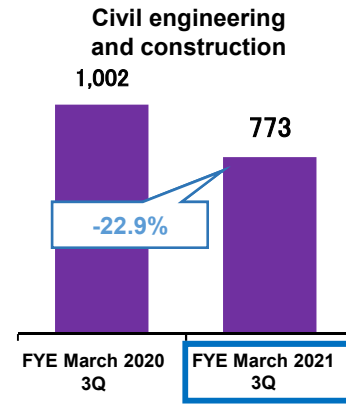
There was solid demand for chemical liquid supply-related products and semiconductor equipment. CMP is on a recovery trend.



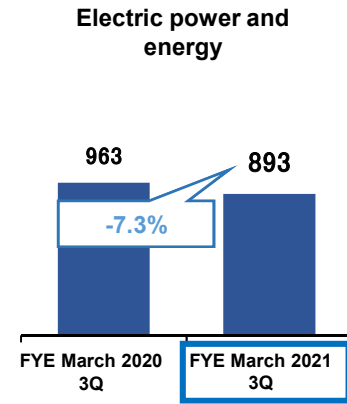
Largely affected by the new coronavirus, demand was sluggish both in and outside Japan.



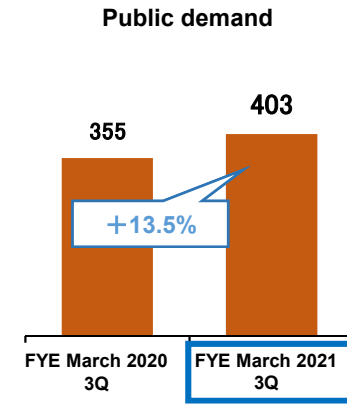
Sales were slow due to the new coronavirus and falling crude oil prices.



Construction projects remained a standstill amid the coronavirus pandemic.



Spare parts orders for the electric power market decreased due to the coronavirus.



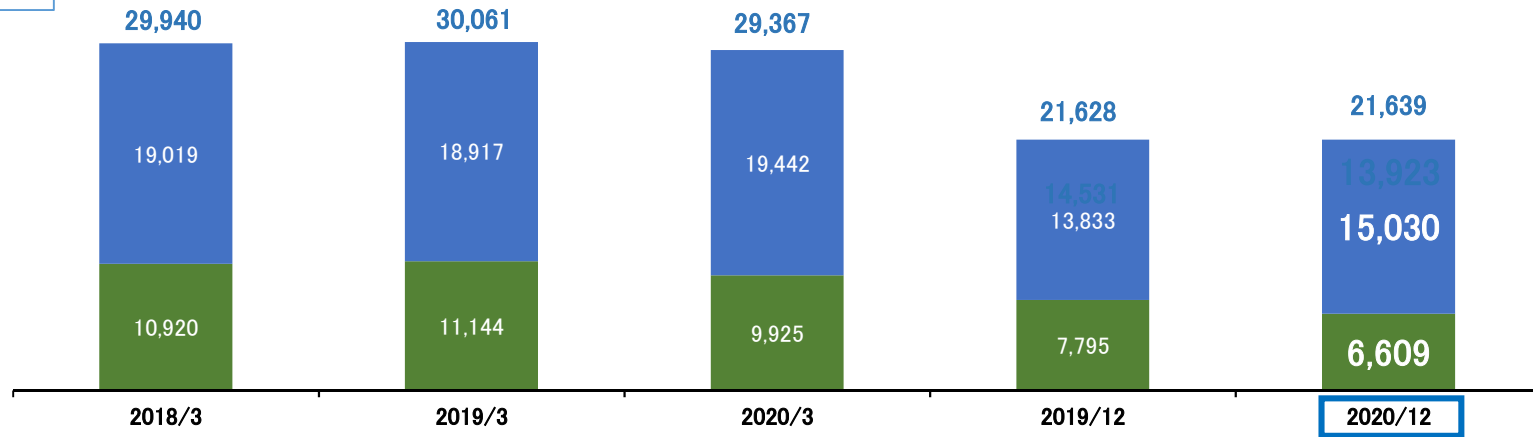
Water and sewage treatment demand increased.

Changes in Orders Received and Order Backlog

■ Industrial equipment ■ Electronic equipment

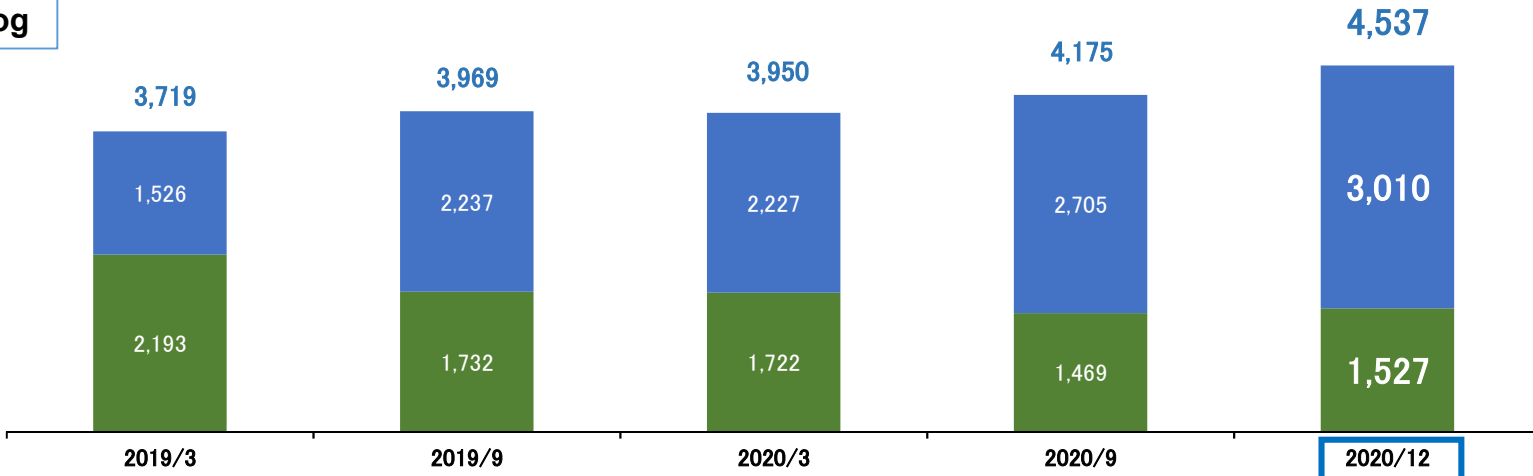
(Unit: Million Yen)

Orders received



Order backlog

■ Industrial equipment ■ Electronic equipment





2 .Business Performance Forecast for the Fiscal Year Ending March 2021

Business Performance Forecast for the Fiscal Year Ending March 2021

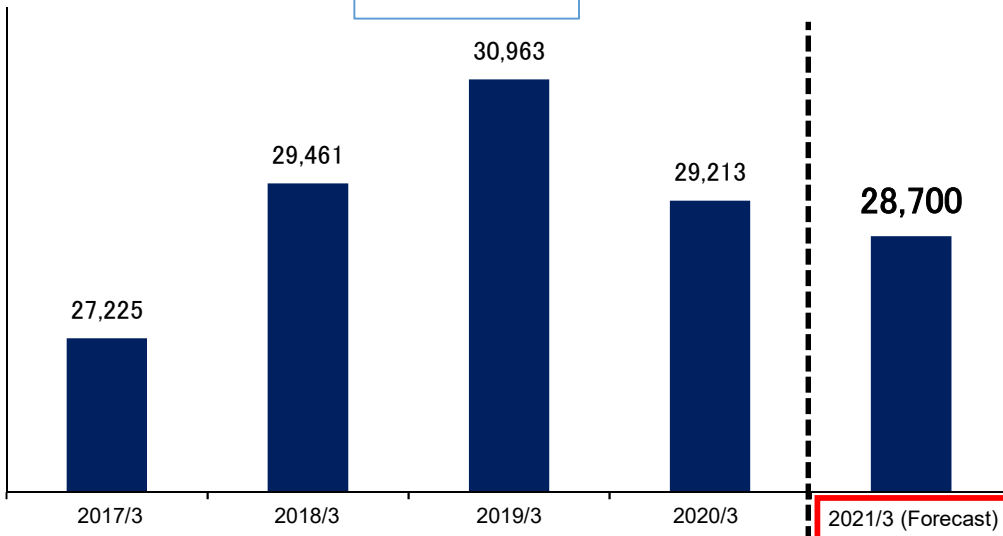
(Unit: Million Yen)

	FYE March 2020	FYE March 2021	Change from the same period of the previous fiscal year	
	Full year <Results>	Full year <Forecast>	Increase (Decrease)	Change rate (%)
Consolidated results				
Sales	29,213	28,700	- 513	- 1.8
Operating income	3,683	4,400	717	19.4
Operating income ratio	12.6%	15.3%	—	—
Ordinary income	3,725	4,400	675	18.1
Net income	2,635	2,800	165	6.2
Net earnings per share	108.57	117.27	8.70	—
Dividend	40	45	5	—
By segment				
Industrial equipment business				
Sales	10,396	9,300	- 1,096	- 10.5
Operating income	1,314	800	- 514	- 39.1
Electronic equipment business				
Sales	18,740	19,300	560	3.0
Operating income	2,329	3,580	1,251	53.7

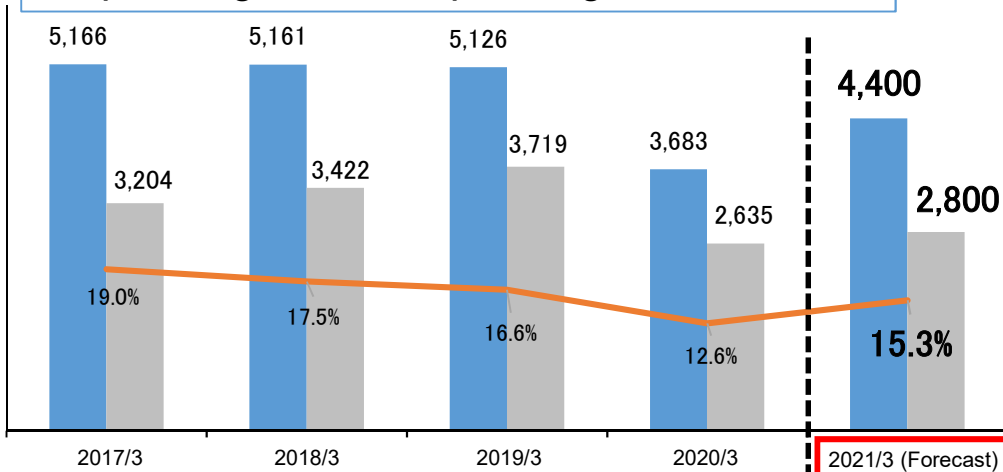
Trends of Company-wide Earnings

Sales

(Unit: Million Yen)



Operating income/Operating income ratio



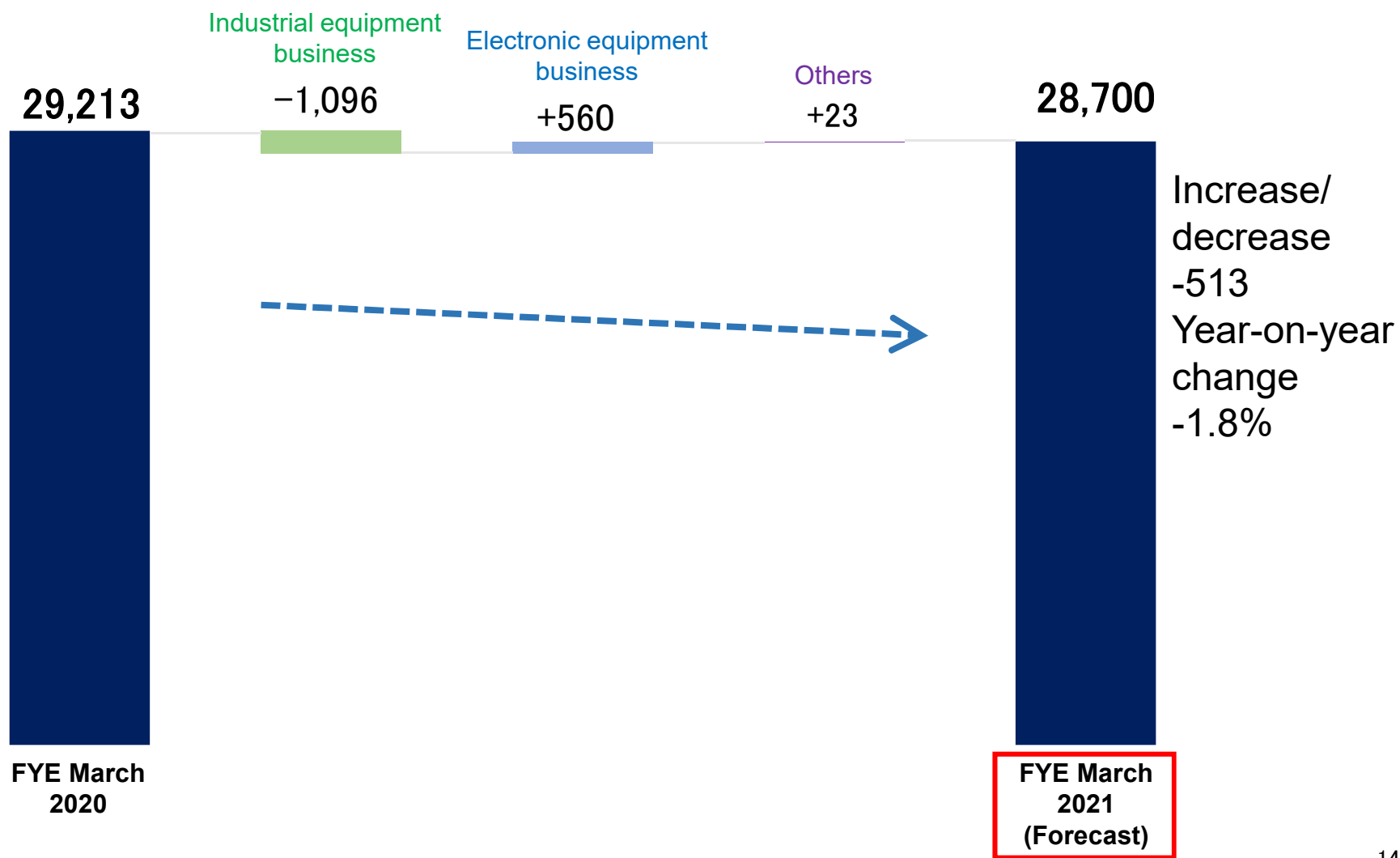
Operating income (Blue bar), Current net income (Grey bar), Operating income ratio (Orange line)

Points

- **Upwardly revised from the previous forecast.**
(Sales 28,500 → 28,700)
(Operating income 3,600 → 4,400)
- **Industrial equipment business is likely to continue receiving the impact of the new coronavirus.**
- **Semiconductor demand is expected to remain brisk for the electronic equipment business.**
- **Improved profitability will be the main contributor to increases in operating income and net income.**
- **Our supply responsibility will be fulfilled with a flawless production system in response to the brisk semiconductor demand.**

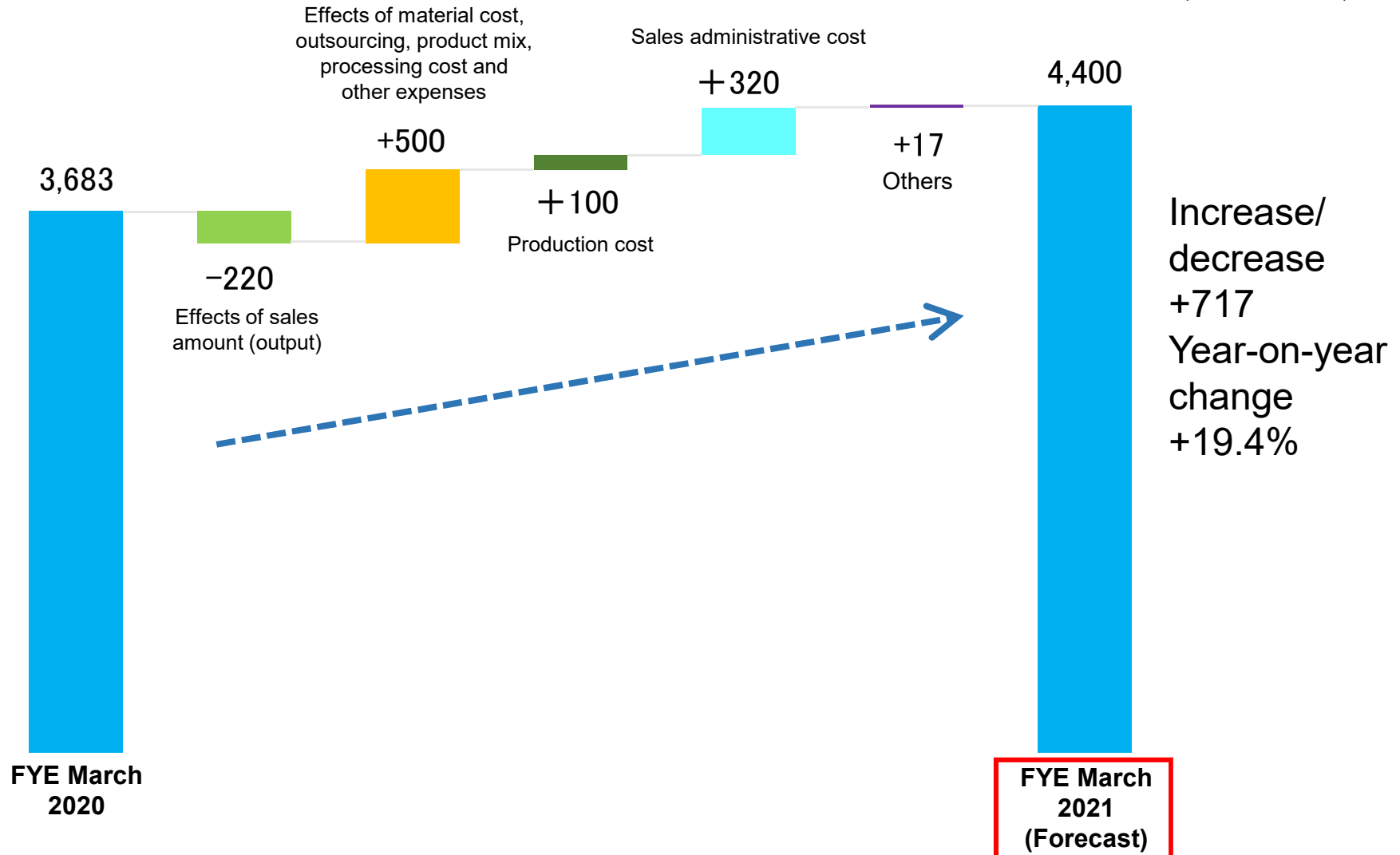
Analysis of Increase/Decrease in Full-Year Sales

(Unit: Million Yen)



Analysis of Increase/Decrease in Full-Year Operating Income

(Unit: Million Yen)

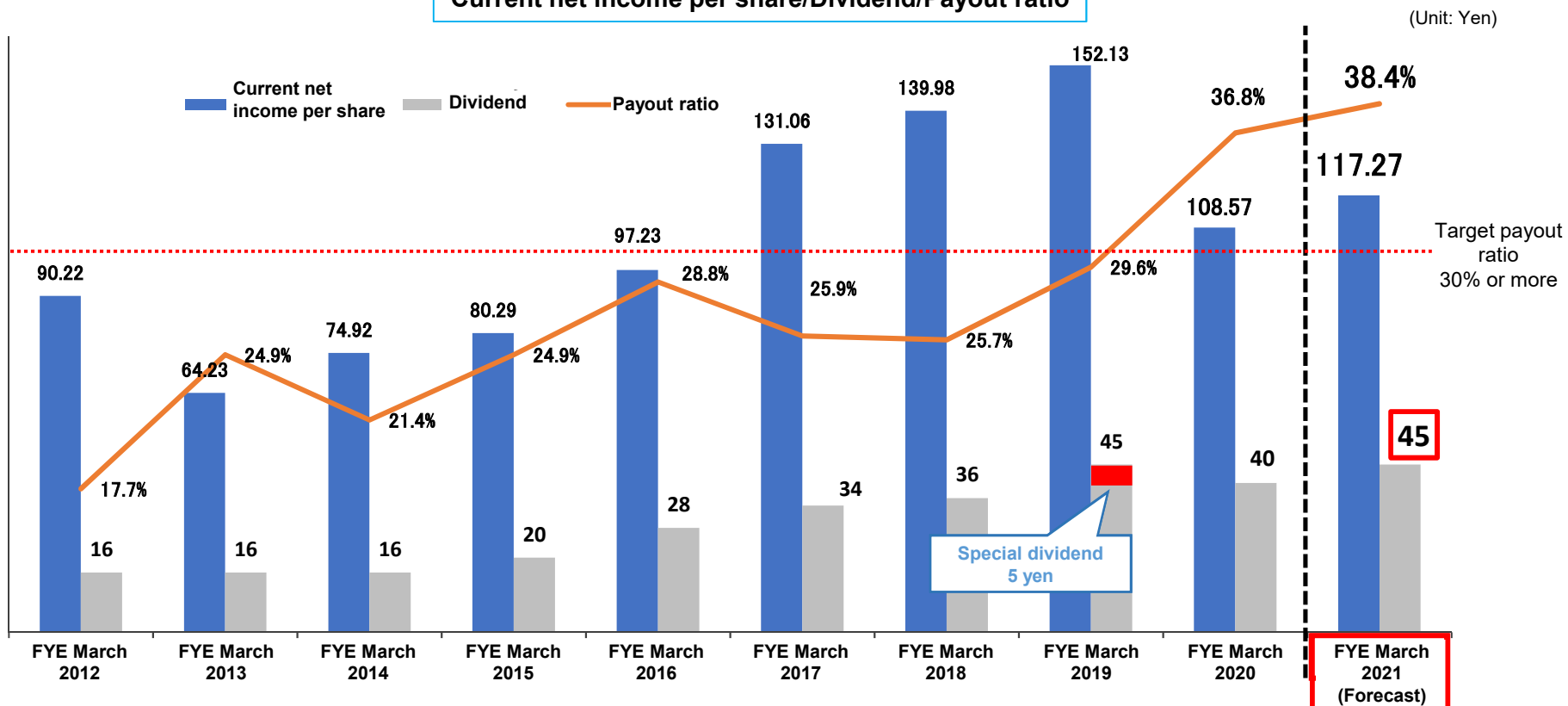


Return to Shareholders[1]

[Dividend increase]

- In the electronic equipment business, sales of products for semiconductor manufacturing equipment will remain strong.
- With the profitability improved, full-year earnings forecast has been revised upwardly.
- We have increased our full-year dividend forecast from 40 yen to 45 yen.

Current net income per share/Dividend/Payout ratio



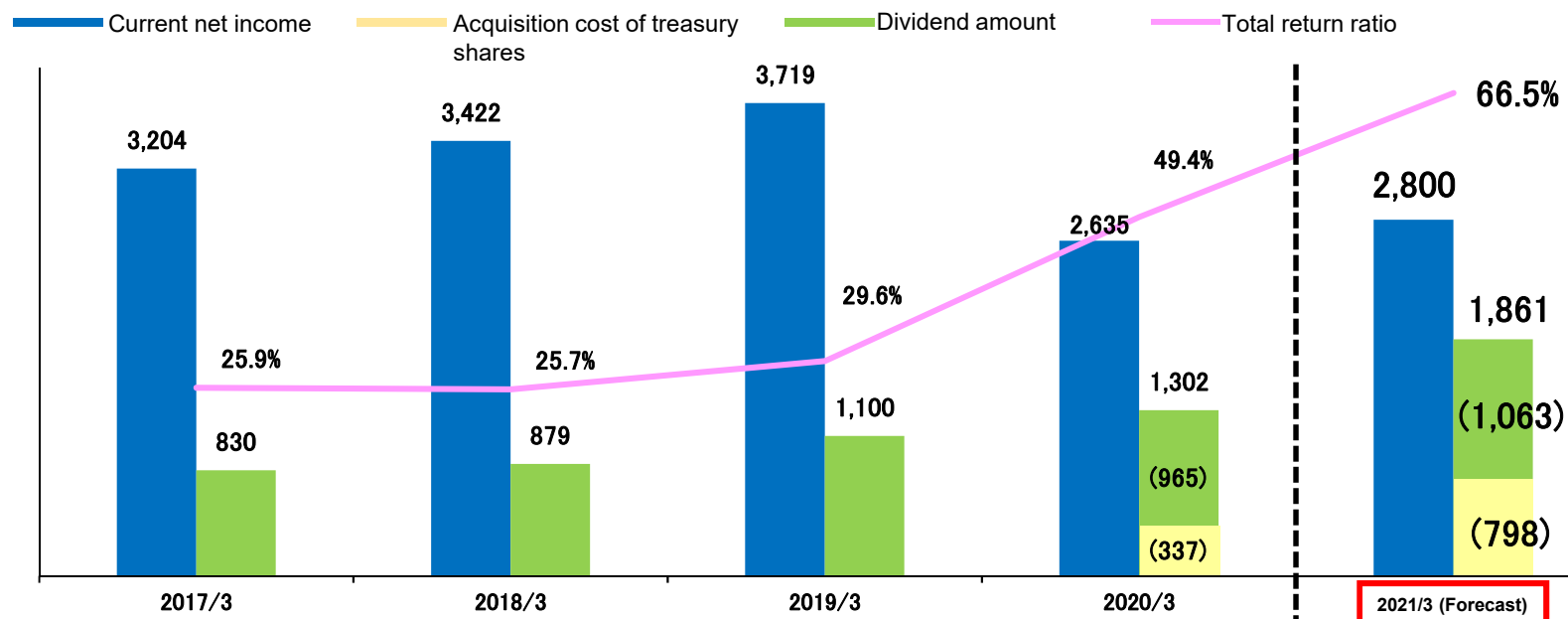
Return to Shareholders [2]

[Status of Share Buyback]

	Period of acquisition	Number of shares acquired	Acquisition cost
1 st	May 21, 2020 – June 12, 2020	342,100 shares	499 million yen
2 nd	November 13, 2020 – December 11, 2021	190,600 shares	299 million yen
Total		532,700 shares	798 million yen

Trends of net income and distribution of profits

(Unit: Million Yen)





The fluid leak prevention and control equipment manufacturer

NIPPON PILLAR PACKING CO., LTD.

(Contact)

Corporate Planning Department

7-1, Shinmachi 1-chome, Nishi-ku, Osaka 550-0013 Japan

TEL: +81-6-7166-8412

FAX: +81-6-7166-8510

URL: <https://www.pillar.co.jp/>

- This material includes descriptions about forecasts, plans and outlooks of future business performance. These descriptions do not guarantee the future business performance and contain elements of risk and uncertainty.
- Please note that the future business performance may largely differ from the contents described in this presentation material due to economic information of main markets, changes in product demand, effects of exchange rates, various regulations in Japan and overseas, and changes in accounting standards and practices.
- This material is prepared for the purpose of offering information and is not intended to induce any actions.